

LEGISLATIVE COUNCIL.

3rd January 1929.

The Council met pursuant to adjournment, HIS EXCELLENCY THE GOVERNOR, BRIGADIER-GENERAL SIR GORDON GUGGISBERG, K.C.M.G., D.S.O., President, in the Chair.

PRESENT:

The Hon. the Colonial Secretary, Mr. C. Douglas-Jones, C.M.G.

The Hon. the Attorney-General, Mr. Hector Josephs, K.C., B.A., LL.M., (Cantab.), LL.B. (Lond.)

Hon. A. P. G. Austin, (Nominated Unofficial Member).

Hon. T. T. Smellie, (Nominated Unofficial Member).

Hon. F. Dias, (Nominated Unofficial Member).

Hon. T. Millard, Colonial Treasurer.

Major the Hon. W. Bain Gray, M.A., Ph.D., (Edin.), B. Litt. (Oxon.), Director of Education.

Hon. J. S. Dash, B.S.A., Director of Agriculture.

Hon. R. V. Evan Wong, B.Sc., (Senior Member for South-East Essequibo).

Colonel the Hon. W. E. H. Bradburn, Inspector-General of Police.

Major the Hon. J. C. Craig, D.S.O., Director of Public Works.

Hon. B. R. Wood, M.A., Dip. For., (Cantab.), Conservator of Forests.

Hon. S. H. Bayley, Managing Director, Colonial Transport Department.

Hon. J. Mullin, A.I.M.M., F.S.I., Commissioner of Lands and Mines.

Hon. E. G. Woolford, K.C., (Senior Member for New Amsterdam).

Hon. N. Cannon, (Senior Member for Georgetown).

Hon. H. C. Humphrys, (Member for East Demerara).

Hon. A. V. Crane, LL.B., (Lond.), (Member for West Demerara).

Hon. Percy C. Wight, (Junior Member for Georgetown).

Hon. J. Elcazar, (Junior Member for New Amsterdam).

Hon. J. Gonsalves, (Member for Georgetown).

Hon. E. F. Fredericks, LL.B., (Junior Member for South-East Essequibo).

Hon. A. E. Seeram, (Member for Demerara).

Hon. S. McD. deFreitas, M.A. (Junior Member for North-West Essequibo).

Hon. J. Smith (Nominated Unofficial Member).

Hon. S. H. Seymour, A.M.I. Mech. E., (Nominated Unofficial Member).

MINUTES.

The minutes of the meeting of the 2nd January, 1929, which had been printed and circulated, were taken as read and confirmed.

PAPERS LAID.

The COLONIAL SECRETARY (Mr. Douglas-Jones): I beg to lay on the table the following documents:

Annual Estimates of Expenditure and Revenue for 1929.

Comparative Statement showing the differences between the totals of the draft estimates of expenditure for 1929 as submitted by Heads of Departments and those as presented to the Legislative Council.

ORDER OF THE DAY.

THE BUDGET.

The **COLONIAL SECRETARY**: Sir I ask your permission and that of the Council to take the third Order of the Day first.

Question put, and agreed to.

The **COLONIAL SECRETARY**: Pursuant to notice I move:

That the Council do resolve itself into Committee of Supply upon the Estimates of expenditure to be defrayed from revenue during the year ending the 31st December, 1929.

Before dealing with^a the financial position of the Colony, it would be well, I think, if I were to indicate the procedure which should be adopted by this Council in considering the estimates of expenditure. The procedure will be somewhat different from that adopted by the old Combined Court and with which members are familiar. It is customary for the mover of this motion to make what is usually known as the budget statement and for a general debate to ensue, during which an opportunity is afforded to Members of the Council to discuss His Excellency the Governor's Message, the financial policy of the Government, and to bring to the notice of the Government any matters concerning Government Departments and such other matters of general interest as they may wish. In other words members have an opportunity in their speeches of covering a wide field. The discussion on each departmental vote should be limited, when the Council is in Committee, to a brief reference to the affairs of that Department and the Committee should confine itself only to the consideration of each item on the estimates as it arises. Another point of difference is that whereas the estimates of expenditure have hitherto been settled first and then revenue raised to cover that expenditure, in future the Government will decide the total

amount of revenue which it may expect to receive from various sources and then endeavour to limit expenditure within the total amount of revenue expected.

THE COLONY'S TRADE.

I will refer first of all to the Colony's trade. The total trade imports and exports for the year 1926 were:—

Imports.	Exports.
\$12,474,852	\$13,123,703

For the year 1927 they were:—

Imports.	Exports.
\$11,859,929	\$16,026,369

making a total of \$27,886,298; an increase over 1926 of \$2,287,743. As far as it has been able to ascertain it, the value of the Colony's imports for the period January to November, 1928, is estimated at a total of \$11,291,033, and the value of exports a total of \$13,451,883, together making a total of \$24,742,966. These figures compare favourably with corresponding periods for the year 1926 which gave a total of \$22,590,000 and 1927 which gave a total of \$24,500,000. It will be seen from these figures that the Colony's trade has been maintained during the past year but unfortunately no increase is shown. The high Customs duties which are now imposed have no doubt some bearing on this. But for these high Customs duties I feel sure that the increase in trade would have been greater.

EXPORTS.

Turning to exports and taking sugar first, the total tonnage of sugar exported during the first eleven months of 1928 was 102,553 tons valued at \$7,359,253. The figures for the corresponding period of 1927 were 86,126 tons valued at \$7,087,243; the aggregate for 1927 was 109,616 tons valued at \$8,787,535.

The export of the by-products of sugar—rum and molasses—were in 1927:—

Rum 1,081,020 gallons to a value of \$516,414 and

Molasses 2,677,457 gallons to a value of \$115,547.

During the first eleven months of 1928 the exports were:

Rum 1,254,431 gallons to a value of \$509,926.

Molasses 2,238,045 gallons to a value of \$130,956.

So the exports of these by-products is increasing.

The total exportation of rice for 1927 was 11,497 tons valued at \$723,871; the total export at 30th November, 1928, was 16,448 tons to a value of \$1,009,397. The position, therefore, as regards the export of rice is favourable, and it may confidently be estimated that the total exportation of rice in 1928 will be found to be approximately half as much again as that exported in 1927. This would seem to indicate that rice growers should be financially in a much better position than they were in 1927 or the year before and that their spending powers should be equally greater and should be reflected in our revenue returns. This is, however, not the case and the position in which the rice grower finds himself *vis a vis* the miller is a matter which seems to be ripe for Government investigation. We cannot expect to increase our population upon the land unless agriculturists are able to obtain full benefit from their operations.

I regret to note that the value of diamonds exported shows a decrease compared with the year 1927, when the total carats exported were 180,678 valued at \$3,614,938. For the first eleven months of 1928, 119,655 carats were exported at an estimated value of \$2,301,407 as against 168,612 carats to the value of \$3,360,806 for the corresponding period of 1927.

During 1927, 5,607 ounces of gold were exported valued at \$99,422. The total export to the 30th November, 1928, was 3,844 ounces valued at \$68,945, a regrettable decrease.

The figures for balata are: for 1927, 753,037 pounds valued at \$392,509; for eleven months of 1928, 605,613 pounds valued at \$240,667. The latest information appears to indicate some improvement in the market for balata.

The exportation of bauxite shows an improvement over that for 1927 both in quantity and value, the comparative figures being: for 1927, 160,933 tons valued at \$806,549; and to 30th November, 1928, 155,295 tons valued at \$777,985.

With regard to timber the operations of the Forest Trust are beginning to bear fruit and the quantity and value of timber exported both in the rough and manufactured should henceforth show a marked and satisfactory yearly increase.

On the whole the trade of the Colony has been maintained, but it is to be hoped that the coming year will show a material increase.

REVENUE.

Turning now to a brief comparison of our revenue under the principal heads:—

The actual revenue derived from Customs during 1926 was \$2,811,413; that for 1927 was \$2,888,792 and the total receipts for the first eleven months of 1928 were \$2,842,227

The amount of excise rum duty collected during 1926 totalled \$752,104; during 1927 \$692,709; and \$609,744 collected during the first eleven months of 1928. Since the increase of excise duty on rum to \$4 per gallon revenue from this source has shown a steady decline.

Export duty in 1926 brought in \$186,000; in 1927 \$245,485; and for the first eleven months of 1928 a total of \$207,302 was reached.

The total revenue in 1926 was \$5,059,800, and 1927 was \$5,130,500, and for the first ten months of 1928 the unaudited figure is \$4,338,838. We estimated to receive a total of \$5,532,948

and with the exception of Customs and excise duties and forest revenue, that estimate is expected to be realised. The shortfall in forest revenue is due to the depression in the balata industry and smaller receipts from woodcutting licences.

The revised estimate of revenue for 1928 is \$5,310,261.

Our estimated expenditure for 1928 was \$5,528,894 but it is anticipated that the actual expenditure will total \$5,659,665. There will therefore be a deficit on the year's operations of approximately \$350,000. The fact that there is a deficit is due to the difficulty experienced in estimating revenue. During past years estimates of revenue have been placed at figures for which there was little or no justification, or was perhaps due to a too sanguine view that the spending power of the community had increased. If the deficit reaches the amount anticipated there will be a total accumulated deficit for the years 1926, 1927 and 1928 of \$1,227,000. The Colonial Treasurer has, however, in hand a variety of adjustment transactions for the incorporation in the Colony accounts of certain isolated amounts and the rectification of the Colony's balance sheet to embrace a more complete record of the Colony's assets and liabilities. When these transactions are completed it is expected that the accumulated deficit will be reduced to somewhere in the region of \$750,000 early in 1929.

PUBLIC DEBT.

At the 31st December, 1927,
the Colony's liability for
loans already raised amount-
ed to.....\$12,841,296

To which should be added
a temporary reduction of.. \$2,050-

In respect of the non-conver-
sion of 6% bonds of Issues
Nos. 1 and 2 under Ordina-
ance 6 of 1916, the New Is-
sue No. 20 in replacement
of bonds redeemed—having
been made on 1st January,
1928.

\$12,923,346~

Deduct value of bonds since matured and redeemed un- der Ordinances 3 of 1886 and 6 of 1916, Issue No. 11	19,250
	\$12,904,096*

Advances obtained to finance George-
town Improvement and Coastal Drain-
age, Irrigation and Pure Water Supply
Schemes, in anticipation of the issue of
the new Colony loan, are estimated to
total \$6,850,000 at 31st December, 1928,
with an interest charge for the year
1928, of \$276,000 of which \$199,000 is re-
coverable. Varying proportions of the
loan are recoverable on the same terms
as the loan in respect of expenditure on
the City Improvement and Coastal
Drainage Schemes.

Note.—*This total is temporarily reduced
by \$335,100 in 1928 in respect of the
non-conversion of 6% bonds of Issues
4 to 9 and 11; the new Issue No. 21,
in replacement of Bonds redeemed,
will be effective as from the 1st Janu-
ary, 1929.

REVENUE FOR 1929.

Government's Proposals.

The time has come when our
whole fiscal system requires overhaul-
ing, and Government proposes to revise
the Customs and Taxes Ordinances. It
had been hoped to do this in time for
the present session but, owing to the
heavy pressure of other business, it has
not been possible to prepare the new
Bills. The Bills I have introduced are,
therefore, in the old form, but certain
amendments have been made, and the
schedule to the Customs Bill has also
been altered in certain particulars. I
will deal with these when moving the
second reading of these Bills.

The main alteration in the cus-
toms Bill is that the duty is now to be
collected on the c.i.f. value of goods in-
stead of on the f.o.b. value. It has been
found that this latter system opened
the door to the unscrupulous trader
who has no compunction in defrauding

Government. I have here a number of cases of this sort, and I think it is sufficient to say that Government must have lost considerable revenue from the frauds which have been perpetrated. It is proposed, therefore, in future to collect the customs duties on the c.i.f. value of goods, in other words, on the total value of the invoices. To meet this, corresponding reductions have been made in the ad valorem rates of import duty.

An attempt has been made to rearrange our tariffs so that without reducing our total anticipated receipts which, unfortunately, we cannot afford to do, we are relieving certain articles of necessity of a portion of the present high tariff, and are making up for the estimated loss by increasing the duty on luxuries and such other articles as can bear the slight increase suggested. It is estimated that the total increase will produce in the neighbourhood of \$40,000 but against this reductions will amount to some \$25,000, so that the net increase is only \$15,000 which is distributed amongst articles which are either well able to bear it, or in regard to which the slight increase in duty will not be felt.

It will be possible, should the financial position of the Colony improve, to remove these impositions, and also it is hoped gradually to reduce the surtaxes at present imposed upon the schedule rates of duties in such a manner as will reduce the cost of living to the poor man. In these surtaxes we have a wide range in which to reduce our Customs duties without interfering with the schedule rates. It is desirable that the Colony should, as soon as possible, fix the Customs tariff at one from which it is not likely to depart, excepting in a few cases depending entirely upon the actual monetary requirements of the year. It is obvious that the past methods adopted have made it almost impossible for business men, traders and others to formulate policies as they were never certain until the last minute what variations in Customs duties were likely to be made. One of the

first objects of the Government should be to remove this uncertainty with a view to stabilising trade.

It is proposed to reduce the excise duty on rum from \$4 to \$3 a gallon. This is done with no idea of increasing the sale of rum, which would not, I think, be a desirable object, but in order to prevent some of the undesirable practices which have recently grown up owing to the present high excise duty, *i.e.*, the increasing consumption of bay rum, which, I am told, people are drinking although it is difficult to obtain any reliable statistics in this connexion; the tendency to dilute rum below the point provided by statute; and also it is hoped that the illicit manufacturing of bush rum will cease. This has been considerably on the increase lately and the suppression of which is engaging the attention of the Police and costing money, which it is hoped to save, will be reduced. Since the increase of the excise duty on rum to \$4 a gallon, the revenue from this source has shown a steady decline. This may be due to a generally increasing tendency on the part of the population to drink less spirit but I think that it is mainly due to the high cost of rum and has been responsible for the practices to which I have referred.

The Government has decided to proceed with the imposition of an Income Tax, a just and reasonable form of taxation which, I submit, should have been introduced long ago. The cost of collecting Income Tax should not be more than \$7,000 and it is estimated that during the first year a sum of \$250,000 will be collected. It is, of course, impossible to form an accurate or close estimate of what such tax will produce as we have little information upon which to fix such an estimate. The tax cannot, however, be expected, during the first year of its imposition, to produce as much as it will in subsequent years. It is not possible to bring in all those who should pay, during the first year, but eventually any who endeavour to escape will sooner or later be drawn in.

On the whole, I claim that our estimates of revenue have been based on the conservative estimates of what may be expected to be received under each head, and I shall be very disappointed if small excesses of revenue are not realised under all the main heads. The total revenue which we anticipate to receive during the coming year is \$5,506,460.

I will now deal with the estimates of expenditure which I have laid on the table. As indicated by His Excellency the Governor in his annual address, the estimated expenditure of practically all Departments show a decrease, but expenditure has been combed to almost the last point and the greatest care will be required by all Heads of Departments to come out on the amount allowed to them.

During the year unforeseen expenditure is bound to occur but it is hoped that by the exercise of rigid economy all such unforeseen expenditure will be covered by our normal savings. I do not propose to deal at any greater length with the items of expenditure as opportunity will be afforded of examining them in Committee. The estimated position, therefore, for the coming year, is that our expenditure is estimated at a total of \$5,693,807, and, as I have said, our estimated revenue is \$5,506,460, leaving a deficit of \$187,347. For this deficit it is proposed to budget. The practice of budgeting for a deficit is an undesirable one, but it is one to which recourse has to be taken in exceptional circumstances, and I am optimistic enough to think that our estimates of revenue are sufficiently conservative to hope that they will be exceeded and that, with such savings as we are able to make, the balance sheet at the end of the year will show a small surplus and not, as it has done in the past three or four years, a large deficit.

Mr. CRANE: I rise to second the motion and to suggest that in view of the new procedure an opportunity be given to members to discuss not only Your Excellency's Message but any item

of importance in the Estimates. I therefore ask that this debate be adjourned until Tuesday, 8th January.

The PRESIDENT: The question is that this debate be adjourned until the 8th January.

Question put, agreed to.

CUSTOMS DUTIES BILL.

The COLONIAL SECRETARY: I move that "A Bill to fix a tariff of duties on goods imported into and exported from the Colony" be read the second time. I have just indicated that the main alteration in the Customs Tariff Bill is that Customs duties in future will be levied on the c.i.f. value instead of the f.o.b. value. That is provided for in clause 4. Clause 5 deals with specific duties. The change on the basis of the collection of Customs duties will have a very important effect in giving a filip to British trade. The Customs Department has brought to the notice of Government a number of cases in which foreign exporters have secured a hold on the local market by making false returns in their invoices. Fictitious values are stated in the invoices as representing charges for the preparation of shipment of goods and as a result the foreign trader has been able partially to exclude imports of goods from the British market. I have here in my possession a number of invoices which indicate what has been done. There are cases of false declaration of origin. In one case an article was supposed to come from England but was manufactured in New York. Another case was brought to our notice by the Administrator of St. Lucia in which a firm in Barbados was in the habit of supplying the importer with two invoices, one representing the actual value of the goods and the other a reduction of 25 per cent., and accompanying these documents was a letter stating that the special invoice has been forwarded for Customs purposes. The fact that the covering letter was printed indicates that the letter had a wide circulation and that the fraud is common in

the West Indies. It is to meet these cases, which have been very much on the increase lately, that we have decided to collect the duty on the c.i.f. value, and hon. members will see that the actual duty has been reduced to correspond with that. It is difficult to estimate what charges are reasonable and what are not, but time will show us how near we are to our estimate. Certain alterations have been made to make it easier to obtain drawbacks. The schedule, which is the most important part of the Bill, I think would be dealt with best in Committee.

Mr. SMELLIE seconded the motion.

Question put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee to consider the Bill clause by clause.

Mr. CANNON: This Bill was handed to us yesterday and we were here until a late hour in the afternoon. I have not had time to go into the details sufficiently to satisfy myself and do justice to my colleagues in this matter. I am prepared to go on with it but I wish it to be clearly understood that the procedure is very unsatisfactory. There ought to be more time to grasp the enormous changes which have been made in the Bill. Heretofore we were supplied with documents in which we could see what the changes are. There are a number of changes in this Bill, and while to the casual observer there might be nothing in them to me there is quite a lot. My view is that the most careful scrutiny should be observed.

The CHAIRMAN: I quite appreciate the hon. member's remarks. Government will make a point to let members get Bills in time, but, unfortunately, Government cannot do it in the case of a Bill involving changes in Customs duties. That we will have to take whether we like it or not. With regard to the hon. member's request I am informed that steps have been taken to collect these duties, so that there is really

no objection to deferring the Committee stage until later on.

Mr. CANNON: I am aware of that. I was told last evening that changes were being made in the collection of the duties. I do not press my objection but merely point out the difficulty members are in.

The CHAIRMAN: The Council should understand that Government has no objection to the debate in the Committee stage being deferred. No hon. member is pressing it so we will carry on.

Clause 4—Modes of ascertaining ad valorem duties.

Mr. WOOLFORD: I understood the hon. Colonial Secretary to say that lately there has been discovered a process originated in Barbados whereby duplicate invoices have been supplied to this Colony for Customs duties. I listened with interest to him explaining that that was one of the reasons why this very important change was made. Personally, I have known and heard of successful attempts imposed on the Customs of this Colony twenty years ago having their origin in Great Britain, and I think we should not allow it to be placed on record that these impositions are confined, as suggested, or have their origin in the British West Indies. I have no doubt that the exporter in Barbados received a certain amount of training from English sources, and I resent as a native of these parts any imputation that these practices are confined to the West Indies and are likely to be of such frequent repetition that it becomes necessary to change the fiscal system of the Colony to put a stop to them.

The COLONIAL SECRETARY: May I make an explanation? I only quoted from the letter from St. Lucia. All the invoices were foreign invoices and I had no intention to impute anything against the West Indies.

Mr. WOOLFORD: The point is, as I understood it, that a certain firm in Barbados—

The CHAIRMAN: To a point of order. The hon. member must address the President.

Mr. WOOLFORD: I am.

The CHAIRMAN: I hope you are.

Mr. WOOLFORD: Unless Your Excellency wishes me to keep my eyes fixed on you—I will find it difficult. The change is an exceedingly important one, and if the object of this clause is to exclude foreign goods from competition in this community then I very strongly object to it. If there is one thing that is contributing to the difficulties of the consumer in this Colony it is the maintenance of the British tariff. I have no doubt about it myself. I hope no one is going to suggest that I am unpatriotic in saying so, but, sir, I am firmly convinced after very careful reflection over some years—and it is a conviction which I know is shared by a good many very loyal and law-abiding citizens—that the maintenance of the British preferential tariff is inimical to the welfare of the inhabitants of the Colony and to the Colony itself, and I very much question whether if the British Government were invited to state their declaration in this matter they would not say to the Administration of this Colony “You are perfectly free to adjust your tariff as you like.” The British representative at the Trade Conference at Ottawa—the Colonial Secretary knows what I am about to say is absolutely correct—was instructed by the British Government to say that so long as the Colonies were able so to adjust their tariffs or levy duties to benefit their respective communities in so far as they were able to do so under the then negotiations with Canada the British Government would offer no objection. So that if we in this Colony choose to impose a tariff or duty which will have the effect of excluding any goods of British origin the same principle will apply.

The CHAIRMAN: I call the hon. member to a point of order under Rule 30. Is the hon. member discussing the preferential tariff or clause 4?

Mr. WOOLFORD: I am discussing clause 4. One of the chief reasons against it would be that it might have the effect of excluding foreign goods.

The COLONIAL SECRETARY: The hon. member is trying to split a hair which is undesirable. What we are trying to do is to prevent the foreign merchant from gaining an advantage through fraudulent means over the honest British importer and exporter, and there is no intention to give any preference to British goods over foreign goods.

Mr. WOOLFORD: I quite understand that; but it is well known that the British exporter adds the preference to his article, and it is a natural objection.

The CHAIRMAN: I have already warned the hon. member that his speech is irrelevant. If he insists on continuing I shall be obliged to name him.

Mr. WOOLFORD: I desired to preface my remarks by criticism of the change of the fiscal policy. I won't pursue it. Perhaps my remarks are rather in the nature of debate and perhaps I am taking advantage of the situation to state my views, because I may not be here on the next occasion and it gave me an opportunity to say what I intended to say when Your Excellency invited the views of members. I will conclude by making a suggestion, and that is, that before arriving at any fixed idea in regard to the Customs tariff, and before adopting the policy of a permanent tariff, I suggest for the consideration of Government the advisability of having a fixed uniform tariff whether it is fixed at 10, 15, or 20 per cent. on all goods whether they come from foreign or British sources. I feel certain that that method will have the effect of producing an equal amount of revenue similar to what we anticipate now because it is—

The CHAIRMAN: The hon. member is getting off the track. We are dealing with certain subjects under clause 4 and the hon. member is dealing with general subjects with regard to policy. I have

already drawn his attention to irrelevancy and I now direct him to discontinue his speech.

Mr. CANNON: I wish to record my disapproval of this change. I personally feel that the object for the introduction of this clause, as stated by the Colonial Secretary, will not be achieved. The dishonest trader will continue with as much zeal in the future as he has done in the past. I wish to compliment these officers who have detected the crimes referred to by the Colonial Secretary. That is the only remedy. To impose a duty on a fictitious value is a wrong principle and one which I could not subscribe to in this Legislature. I shall be very glad if, at some future date, Your Excellency will afford members an opportunity of discussing the reasons for the loss of revenue, and if that is done I shall reserve what I have to say for that opportunity.

Mr. WONG: I rise, sir, not in opposition to the principle set forth in clause 4. but rather to the method by which this principle has been given effect to in the schedule. I am not sure if this is the proper time to put my objection to the Council or to wait until the schedule is being discussed.

The CHAIRMAN: If you have any general remarks they can be made now and we can deal with the schedule when we get there.

Mr. WONG: Very well, sir. The point is that although the new scheme of imposing duties on the c.i.f. value is being adopted, the proportion of 50 per cent. in favour of British goods is being maintained. It must be borne in mind that the c.i.f. value on an article, although that article may be imported from foreign sources, certainly in most cases contain charges which go to British sources, notably in regard to freight. Most of the articles imported into this Colony come in British bottoms, and to a greater or lesser extent charges for packing and insurance go into British pockets. That being the case it is not

fair or just, or carrying out the provision of the preferential tariff, to preserve the proportion of 2 to 1. I maintain that the general tariff should be considerably less than double the preferential tariff in view of the fact that it is now being levied on the c.i.f. value. I can not attempt at this stage to say what the adjustment should be, but I submit that is a matter for Government.

The COLONIAL SECRETARY: I should just like to point out to the hon. Senior Member for New Amsterdam (Mr. Woolford) that his remarks would have been perfectly in order on the second reading. The hon. Senior Member for South-East Essequibo suggested that we should reduce the general tariff to less than 50 per cent. higher than the preferential tariff because most imports come in British bottoms. That is a matter that has not been overlooked. They are not all British ships that come to this port but it is perfectly true to say that a very large percentage of goods come in British bottoms. I think we are all glad to see that. It might be inimical to trade, and I think it would be undesirable to take any steps in that direction.

Clause agreed to.

First Schedule—Item 33, OIL.

Mr. SEYMOUR: I think that if the duty on petrol is reduced there would be more travelling done, with a consequent increase of revenue from petrol and tyres. It would also largely increase the use of petrol on estates.

The CHAIRMAN: Government does not want to make any changes in petrol duties at present on account of the possibilities of development of power alcohol, which I think would be of far greater assistance to estates.

Second Schedule.

Mr. ELEAZAR: I desire to ask Government's indulgence to make a few remarks on this Ordinance. I am not aware that this Council is removed from the faults incidental to humanity, and,

if that is so, the Council like every other human institution can be improved. One can only make improvement very often by having a look at the past. Only the Divine Being is perfect. Poor human beings must of necessity live by experience. What has experience shown in this respect? The people of this country, whose loyalty cannot be questioned, are still of the opinion that our so-called loyalty to Great Britain is the cause of great suffering among consumers of the country.

The CHAIRMAN: The hon. member will please adhere to the items in the second schedule. We shall be very glad to hear his remarks on those items. They would be most useful to Government, but general talk on the subject of Britain and loyalty is of no assistance.

Mr. ELEAZAR: I was just coming to the end of the remarks I intended to make before attacking item 1. There is a preference of 15 per cent. in favour of British goods and 30 per cent. in favour of foreign goods. I venture to think that if the general tariff was reduced even by 10 per cent., making the tariffs 15 and 20 per cent. the influx of goods into the country will enable the consumer to use more and the revenue will not suffer. This high tariff helps to keep out competition to a large extent and the consumer is restricted and the revenue suffers. I am suggesting a reduction by one-third in the several items of the general tariff.

Mr. DIAS: The items in the second schedule have already been substantially reduced by Government. A comparison with the old Ordinance will show that there has been a reduction of 10 per cent. in the general tariff and that the British preferential tariff has been reduced from 20 to 15 per cent., so that the appeal of the hon. member has already received Government's consideration and has been acted upon.

Mr. WOLFORD: At the risk of being unpopular for doing so I move that the items in both schedules be

carried out at 15 per cent. In other words, in the case of wearing apparel there should be no British preference.

The CHAIRMAN: The hon. member must not raise the question of the British preferential tariff. We are unable to carry out his proposal and I shall have to rule out the proposition.

Mr. WOLFORD: I am not aware that there is anything in the law to prevent any item on the schedule from being altered because it happens to be under the British tariff. I believe it is a matter that is likely to engage attention. I am anxious that Government should lose no appreciable revenue, but wearing apparel should be made as cheaply as possible during the present year. I am trying to give the benefit to the consumer without any loss of revenue and without offending the Trade Agreement. I am not suggesting that the whole British tariff should be abolished but that wearing apparel, which is very expensive, should come in at the same duty under both tariffs. I should like to take the feeling of the Council with respect to this particular item. I am willing to accept any suggestion so far as the actual duty is concerned, but I would like to move an amendment for a fixed percentage of duty in regard to wearing apparel.

The CHAIRMAN: I rule the hon. member out of order. I have already ruled on the preferential tariff, and I must order the hon. member to discontinue.

Mr. WOLFORD: I am merely asking that the British preferential tariff should be logically applied. In reply to me the hon. Colonial Secretary said there were certain difficulties, but he did not outline those difficulties and I confess that I did not follow his argument. I should like him to point out where the insuperable difficulty lies in collecting freight and other charges on the British preferential basis. I see no reason why the duty should not be

levied on freight carried in British bottoms as compared with goods imported in foreign bottoms.

The COLONIAL SECRETARY: I am afraid that the hon. member did not understand the effect of this change. The total invoice is paid for. If it is a British invoice the total pays 15 per cent. and if it is a foreign invoice it pays 30 per cent. It is a question of the general and preferential tariff.

The CHAIRMAN: It has nothing to do with the ship?

The COLONIAL SECRETARY: No, sir.

Mr. WONG: In the case of foreign goods brought on British ships, if the duty levied on the c.i.f. value is double that on the preferential tariff, that would automatically be levying double the duty on the British ship which goes into British pockets.

The COLONIAL SECRETARY: I do not think it would make a great deal of difference, if any, but the point deserves some consideration. I suggest that it should remain over for the moment. What we have in mind is not the raising of revenue but to stop the defrauding of Government of revenue.

Mr. ELEAZAR: I ask Government whether they cannot see their way to reduce the general tariff from 30 to 20 per cent.

The COLONIAL SECRETARY: Before replying to the suggestion of the hon. member I should just like to point out to the Council that Government was very anxious to make some reduction in the cost of living to the poor man. To reduce the duty on flour it was felt would not relieve the poor man much. It was however thought that if the tariff on provisions was increased that would act as a protection to local growers and we have increased the duty on provisions to have a protective effect. The whole of the duty on apparel has been reduced. The item came under

the omnibus clause. To reduce it further would be to upset the whole basis of the preferential agreement and is not going to have the effect that the hon. member suggests. I have been asked to ascertain whether machinery used for milling rice would fall within the free list.

The ATTORNEY-GENERAL: (Mr. Hector Josephs): It does.

Mr. CANNON: May I ask what has prompted Government in not including printing machinery under this head? As far as I can remember the Press has always been allowed printing apparatus to be brought in free. It is unfortunate that it has fallen to me to raise the question, since I am connected with the business. However, it is not myself I am thinking so much about but the poor man who has to buy his paper. If we have to pay for everything we import we shall have to raise the price of the paper, and unless Government has some good reason I think it is a mistake to impose a duty on printing machinery, paper and appliances. I have heard Your Excellency say in another place that the only wealthy people are newspaper proprietors, but I think Your Excellency has been very much misinformed.

The CHAIRMAN: The hon member can always safeguard his clients pockets by getting his machinery from a British source.

Mr. CANNON: With Your Excellency's permission I wish to say that I personally have found that impossible.

Mr. ELEAZAR: I do not think machinery for rice should be free as the people who grow rice are seldom owners of machinery. The miller of rice is the man who imports machinery and gets what the grower and others should get and he should pay something.

Mr. SEYMOUR: The hon. member is treading on ground which I am afraid he is not quite conversant with.

If we have to pay more for our machinery we shall not be able to pay the high cost we are paying for padi.

Mr. WONG: I think it has been quite rightly defined that rice machinery should come in free. I see no reason why sugar should be excluded from the free list.

The CHAIRMAN: Perhaps the Director of Agriculture will be able to say if sugar is an agricultural industry. (Laughter).

Schedule agreed to.

Third Schedule. Item 8, Printing paper, etc.

Mr. CANNON: I protest against this item and repeat that it is going to fall on the consumer. There must have been good reason in the past for granting this privilege.

The CHAIRMAN: Perhaps it was thought that the value of the local Press might not carry any duty.

Mr. CANNON: Possibly so, sir. I ask that my vote be recorded against it.

The CHAIRMAN: The hon. member's vote cannot be recorded unless there is a division.

The Committee divided and there voted: *Ayes*, 2. Messrs. Seeram and Cannon). *Noes*, 22. (Messrs. Gonsalves and Woolford did not vote).

Schedule agreed to.

Fourth Schedule.

Mr. CRANE: I move the insertion as item 32 of:

Tissue or toilet paper imported into the Colony for sanitary use in water closets.

Now that we have introduced in Georgetown a sewerage scheme it has been discovered that persons, particularly the lower classes, use various substances other than toilet paper which are detrimental to the scheme. If we are to protect the system we ought to provide the accessories at a very low

cost. If we take off the duty we shall be able to get the paper at a cost of six or eight cents per roll, and I ask Government to carefully consider the matter.

The CHAIRMAN: I have great sympathy with the hon. member. The reduction in price would be one cent or possibly two cents per roll and it would hardly make any difference. Does the hon. member want to press the suggestion?

Mr. CRANE: No, sir.

Schedule agreed to.

The Council resumed.

Notice given that at the next meeting of the Council it would be moved that the Bill be read the third time and passed.—(*Colonial Secretary*).

The Council adjourned for luncheon.

TAX BILL.

The COLONIAL SECRETARY: Sir, I move that "A Bill to impose certain taxes for the public use of the Colony" be read the second time. In doing so I wish to draw attention to the main alterations in this Bill from that of last year. I have already referred in the Budget statement to the reduction of the excise duty on rum from \$4 to \$3 per gallon. That is provided for in clause 4. I might incidentally remark that when these Bills are being redrafted and put into what may be considered proper shape all excise duties will be included in the Customs Ordinance, and all the taxes and licences in another Ordinance, and it would be very much easier for the Treasurer and the Government to estimate what revenue can be expected from the proper source and keep them under their proper heads. The other alteration is the duty on motor cars. It is proposed to alter the sliding scale, which has not worked out very successfully because it has prevented importations into the Colony of certain cars which people want to keep.

For instance, a car of 30 h.p., Royal Automobile Club rating, paid \$66. There are some cars which slightly exceed this rating, and for such a car the licence has jumped up to \$100. It is thought that the fairest way to raise this tax would be on the horse power, and on a private car it is fixed at \$2.50 per h.p. and on a car kept for hire \$2.75 per h.p. I do not think there is any other important matter to which I need draw attention, except that reference might be made to clause 38, which makes provision for a licence for a tavern in any station or stelling of the Colonial Transport Department (except the Georgetown railway station or any stelling in Georgetown). In conclusion I wish to ask any member who desires to make any statement with regard to the rum duty to do so on the second reading so as to avoid dealing with matters that should not be dealt with in Committee.

Mr. SMELLIE seconded the motion.

Mr. ELEAZAR: Any change from what is in the Ordinance of last year should be underlined so that one could see what is the change in the Bill. If the amendments are indicated as we go along it would facilitate discussion considerably.

Mr. CRANE: On the question of the change of the system of taxing motor cars, sir, will the hon. Colonial Secretary indicate what the change of duty on different types of cars will be? At the present time the rate is specifically fixed for horse-power; now it is intended to pay \$2.50 per horse power. It is well known that the majority of cars in this Colony are American cars of fairly high auto rating, their importation being due to the lowness of cost rather than to any other reason. One can hardly tell what would be the effect of the change of policy in the licence for these cars.

The COLONIAL SECRETARY: That has been carefully worked out and the effect is that on the higher power American cars there is a very

slight increase in the tax. On the 26 h.p., which is a very common type of American cars coming in now, the tax is \$52; under the new rating it would be \$65. I think it is on that car that the tax goes up pretty heavily, but on the lower rating cars and on the English made cars the difference is not so great.

Mr. FREDERICKS: From the observations of the hon. Colonial Secretary it would seem that cars that are paying a certain rate now will have to pay a higher rate. If the rating be \$2.75 per h.p. it would make the tax higher for certain cars which are generally in use. I think it would be fairer that that figure be lessened to keep the licence at what it is.

Mr. SEERAM: If Government's policy is adopted it will create a hardship on a large number of people who eke out an existence by hired cars. I refer to people who use Ford cars of 26 h.p. Under the present system a Ford car pays \$55 and the increase proposed would make it \$65. On that increase I think there will be a reduction of the revenue from these cars and I urge on Government not to increase the licence. It was not anticipated that gasoline would have been increased last year, but it was increased by 10 cents per gallon and that was a hardship on people.

Mr. ELEAZAR: The licence for a motor car at the present time is very much too high but it is a matter of circumstances. Government last year could not do better and the licences were increased, but I do not think anything has happened or should be done to increase the cost of these licences any further. If it is thought that a certain type of cars would be affected from coming into the country, make a reduction commensurate with their coming into the country but do not increase the licences, as to do so would be an oppression.

Mr. WONG: May I ask the Colonial Secretary whether any estimate has been made of the revenue that will

come in this year on the proposed rate of taxation as compared with last year on the estimation that the number of cars will remain the same?

The COLONIAL SECRETARY: It is a fact that we have increased the rate slightly on the hired vehicle, but a hired vehicle should pay more than a private vehicle. After all, the increase of the duty on petrol, as far as I know or have been able to ascertain, has not reduced the number of cars. These cars are wearing out our roads all the time and the cost of the roads is going up. The increase is so small that it will not touch the individual. No increase can be objected to when we consider the cost of maintaining our roads. That is one aspect of the question. Another aspect is that the licence works out at 10s. 5d. as against a sovereign in England and perhaps higher in other parts of the world. With regard to the estimate asked for by the hon. Senior Member for South-East Essequibo, it has not been very easy to ascertain on account of the number of cars on the different ratings. The 26 h.p., which is a very powerful car, pays \$55, and the lighter car pays \$44. What we want to do is to encourage importations of light cars as they would effect a saving of expenditure on our roads. We do not want motor racing here and extraordinary high priced cars. On the whole I think it is to the interest of the individual and would increase the use of light cars.

Question "That the Bill be read the second time" put, and agreed to.

Bill read the second time.

The Council resolved itself into Committee to consider the Bill clause by clause.

Clause 4—Rum and Spirit Duties.

The COLONIAL SECRETARY: At the request of the hon. Junior Member for New Amsterdam I will draw attention to any definite alteration in the Ordinance. The amendment by this clause is a reduction of the duty on rum from \$4 to \$3 per gallon.

Mr. ELEAZAR: Unless we can show that there is no loss of revenue I do not see what is to be gained by reducing the duty on rum. A man is not bound to drink rum, and if he wants to drink rum let him pay for it. If the reason for lowering the duty is to increase consumption, which is itself a bad thing, I move that it be carried out at \$4.

Mr. SEERAM: I do not think the reduction proposed would prevent illicit trading in rum or the making of bush rum. I am afraid that will continue unless Magistrates deal with the offenders very harshly. I listened with great attention to Your Excellency's pronouncement that if it is possible to abolish the licensing of the sale of alcoholic spirits we should do so. I do not think it is possible because it is a large source of revenue, but we should do nothing which would mean an increase in the consumption of rum. If there is a reduction in the duty it will result in an increase of consumption. I urge on Government that the duty of \$4 be restored.

Mr. CANNON: For fear that my silence may be misconstrued I am going to heartily congratulate Government on their suggestion. It is long overdue. The duty on rum has been too high—I have advocated its reduction year after year—and I think this is a move in the right direction. If it is possible to tax the hon. member's drink—balloon juice—I shall be pleased to do so.

The COLONIAL SECRETARY: There is a point upon which I should have said something this morning. What the consumer should get is pure spirit up to the legal or statutory strength. It is for the consumer to see when Government reduce duties, as we have done to-day in the Customs duties on apparel, that he gets the benefit of the reduction; and I ask members of the Council and the public to see that they get the benefit of the reduction because it is intended that they should receive it.

Mr. DIAS: I may venture to point out that the reduction by \$1 on a gallon of rum would mean a reduction of eight pence per quart, and the consumer should see that they get the full benefit of the concession which Government is making. That will enable them to use the money to buy clothing and other articles which are useful to them.

Question: "That this clause stand part of the Bill" put, and agreed to.

Clause 5.—Duties on Compounds.

Clause 6.—Duties on other spirits.

The COLONIAL SECRETARY: In these clauses there are consequential amendments of a reduction of the duties from four dollars to three dollars.

Mr. CANNON: On a previous occasion I called attention to alcohol motor fuel and Your Excellency promised to give the matter consideration. In the absence of any pronouncement from you, sir, I am going to move that the item "Motor fuel" be at the rate of three cents per gallon, thereby giving the relief which I sought some time ago.

The CHAIRMAN: I think it would be more advisable to wait until the Committee I have decided to appoint has reported on the feasibility of using our own power alcohol.

Mr. CANNON: Thank you sir, I did not know of that.

Clause 13.—Licence for Insurance Company.

Mr. SEYMOUR: It appears to me that there are several foreign companies operating here which have a preference over local companies. My idea is that we should foster everything which we can foster ourselves. Local companies have to pay \$1,000 for carrying on fire, or life, or accident insurance business; while foreign companies pay \$500 for carrying on life insurance business and \$250 for carrying on fire or accident insurance business. It seems incompatible that local companies should pay \$500 more than foreign companies. In patron-

ising local companies we are circulating money in the Colony and I cannot see why there should be this difference of \$500. The amount we are losing is \$6,500. Foreign companies are very well able to stand the higher licence.

The COLONIAL SECRETARY: I cannot quite remember what happened last year, but we had considerable discussion on life insurance and for some reason the Committee of Ways and Means increased the licence for local companies from \$500 to \$1,000. I appreciate the point of the hon. member that we are taxing the local companies much higher than the foreign companies which simply keep agents here, but the argument last year was that the local companies were doing more business and if we taxed the foreign companies on the same basis we would be left at the mercy of the local companies.

Mr. CRANE: It was pointed out last year that the agent of a foreign company did very little business and could not afford to pay. Most of the business went to the local companies. One of the local companies transferred its agency to Trinidad and ceased to do business here after the tax was doubled. It is desirable to have foreign companies here side by side with the local companies. You get competition and other advantages which you would not otherwise get. It must also be remembered that the local fire insurance companies have a risk limit and you have to go to a foreign company if you must get insurance above that limit.

Mr. WONG: I believe, sir, that at the time the increase was made we had a letter from the local company stating that it had no objection to the increase.

Mr. DIAS: This matter happens to be a very serious one when we consider the position from every standpoint. I do not desire to see foreign companies driven out of the Colony. They should be encouraged to come into the Colony, but I do not think it is reasonable to ask the local companies to pay a higher licence

than the foreign companies. It has to be remembered that every penny contributed to a foreign company leaves this Colony, while if invested in the local companies it remains in the Colony and is advanced to people here in the shape of mortgages. There must be quite \$2,000,000 invested by the local companies in mortgage on property in the Colony. Even if it is not advisable to increase the licence on foreign companies Government should consider whether they should not reduce the licence on local companies, because the benefit so far as the Colony is concerned is very much in favour of the local company.

Mr. WIGHT: I should like to add my quota to the remarks of the last speaker. The local companies are mutual companies. I know of foreign companies which take insurance locally but have no agents here. How are you going to get them to pay this licence? That is a point that should be attended to.

The ATTORNEY GENERAL: The point about that is that they are not doing business in this Colony. If a man choose to buy something from a merchant abroad that merchant could not be said to be doing business in this Colony: the man is making a contract abroad and he has to sue in the Courts abroad. It is a well known practice. It is desirable to have foreign companies here as local companies can only take a certain amount of risk and your position might be an extremely difficult one if your insurance is only in the hands of the local companies. There are places which have suffered very much in that respect.

Question: "That this clause stand part of the Bill" put, and agreed to.

Clause 27.—Huckster's Licence.

Mr. MULLIN (Commissioner of Lands and Mines): I wish to draw attention to the exemption in this clause:

Provided also that no huckster's licence shall be required where the goods are exposed for sale in any room or stall in a market or for the sale of bread, ice, pastry, sweetmeats, jams, jellies, fresh fish, pork, game, eggs, milk, or vegetables grown in the Colony or of

fresh fruit, or coconut oil or charcoal, or for the sale of any produce of land occupied or owned by the seller or his principal, or for the sale of any animal which has been nourished on such land.

The Sanitary Authorities of the Local Government Board have a great deal of trouble over the promiscuous sale of these articles throughout various districts, sir, and they have erected markets to regulate the sale and to keep these articles in a sanitary condition. We have been very much handicapped by this exemption. There is no control over these hucksters and as soon as they can be off the road we have no jurisdiction over them. I think if they were licensed in some way we could control them. I do not know quite what to suggest and I just mention the fact.

The CHAIRMAN: I am much obliged to the hon. member for making reference to the matter. I have had some experience of this subject before and it is not an easy one to settle. I do not think we can do anything this afternoon towards settling it, but it is a matter that Government will have to enquire into and settle. I think there is a great deal in what the hon. member said.

Question: "That this clause stand part of the Bill" put, and agreed to.

Clause 30: Licence for carriage, etc., kept for pleasure.

Mr. CRANE: With reference to item 10 (For a licence for each motor car \$2.50 per horse-power or any part of one horse-power, Royal Automobile Club rating), I move that the licence be altered from \$2.50 to \$1.50. Taxation must be based upon the existing circumstances and not upon what you expect to get coming in possibly this year or next year. The present type of car is a high power car, usually 26 h.p., and while I agree with Government to encourage light cars we must protect the cars that are here. The whole Colony was impressed with Your Excellency's Message that there would be no increased taxation, and I respectfully say that the owner of a car would be entitled to say

that he is more highly taxed. A 30 h.p. car last year paid \$52.50; now it is supposed to pay \$75.

The COLONIAL SECRETARY: It paid \$63.

Mr. CRANE: In any case the owner will be called upon to pay \$75. The rise is too high, and I ask Government whether they will impose an increase of \$13 more than it was last year. I am not interfering with the horse power. I think that is the correct basis, but \$2.50 is too high and \$1.50 would bring it nearer to what it ought to be.

Mr. ELEAZAR: I second that amendment.

Mr. SMITH: I think the hon. Member for West Demerara has summed up the position very well but he has put the figure too low. If he would put it at \$2 then a Ford car would pay the same \$52 as last year. The Government has put it too high and he has put it too low.

Mr. WONG: I think the honourable member himself has put it too low. There are other cars that pay the same licence and an 18 h.p. car would pay only \$36 as against \$52.50 last year. I think \$2.25 would be nearer the mark. The Colonial Secretary made reference to the English system of taxing £1 per horse power, but the abolition of that tax has been recommended in favour of a tax on petrol. We have a high petrol tax and I think we would be justified in having a lower motor car tax.

The COLONIAL SECRETARY: The hon. Member for West Demerara has put up a good case and has almost persuaded me to give way in this matter; but I submit that a man who can afford to drive a 26 h.p. car is able to pay the new rate of an addition of \$13.50. I think a large number of people will benefit under the new rate. Of course, \$1.50 is much too low and we would lose a lot of revenue. Even if it were \$2 we are going to lose, because we are going to lose on the light cars, of which there are more in the Colony than heavy

cars. As far as it is possible to estimate we do not expect to make any increase in revenue but a slight loss.

Mr. WONG: I do not think there would be much reduction in revenue by taking off 25 cents.

The COLONIAL SECRETARY: As regards the complaint about Ford cars these cars get a benefit because they come in from Canada under the preferential agreement. The cars we want in this Colony are 14 or 15 h.p. and not 28 h.p.

The CHAIRMAN: I am afraid Government cannot make any reduction. The arguments are not sufficiently strong for a reduction.

The COLONIAL SECRETARY: The next alteration in this clause puts right the omission made last year to exempt from licence bicycles used on official duty by members of the Police Force.

Question: "That this clause stand part of the Bill" put, and agreed to.

Clause 31.—Licence for omnibus, etc., kept for trade, etc.

The COLONIAL SECRETARY: Item 20 fixes the licence at \$2.75 per h.p. for cars kept for hire. Under item 21 the licence for any motor lorry exceeding 10 h.p. kept and used in Georgetown was \$300. It is now proposed to reduce this licence for lorries used exclusively in Georgetown to \$200. A number of lorries are now used for business purposes and it is thought that \$300, which is the rate charged on buses, is too high, therefore we are reducing the licence on lorries but leaving it at \$300 on the buses.

Mr. ELEAZAR: How would that affect a lorry that would come into Georgetown on business, bringing or taking freight?

The CHAIRMAN: It would not affect it at all. It will pay a licence of \$300 as last year.

Clause agreed to.

Clause 38.—Hotel licences and tavern licences.

The COLONIAL SECRETARY: On this clause I have to indicate that the only change is to enable the Colonial Transport Department to have taverns on their stellings and steamers.

Clause 42.—Malt liquor and wine licence.

Mr. DIAS: I wish to suggest for the consideration of the Council the question of whether this licence should not be increased. In the Liquor Licences Bill recently passed shops are given the privilege to sell malt liquor for consumption on the premises. A privilege of that nature must bring material business to these shops and they should pay for the concession. I suggest that the licence should be \$15 per annum instead of \$10.

Mr. WONG: I should like to point out that the concession was not made so much to the shops as to the consuming public, and that being so it would not be fair to increase the licence.

The COLONIAL SECRETARY: This licence has been \$10 for some time. As far as I remember there was some suggestion last year or the year before to raise the licence and very good reasons were put forward for not doing so. I think Government might very well accept the suggestion unless some hon. member more concerned with the interest of the public raises any objection to it.

Mr. CRANE: I am afraid I am that member. The amendment was made in the Licencing Bill to enable a man to go into an ordinary shop and drink his malt liquor there. The reason for that was that there were not many spirit shops within easy distance where a man could drink his malt at the counter and he had to go out on the road to do so. What the Council has done is to enable him to drink his malt liquor in the shop. It was not done for the benefit of the shopkeeper but for the benefit of the public, and I think it would be very unwise to raise the licence.

The CHAIRMAN: It does not seem to me that it was intended either to help the public or the shopkeeper. The point is whether the shopkeeper benefits by the concession we have given him to such an extent that he can afford easily without incurring any hardship the extra \$5 for his licence.

Mr. WONG: I prophesy that he will not benefit and will not sell one bottle more beer.

The CHAIRMAN: Government is quite prepared to put it up to the free vote. The amendment proposed is \$15. I will take the vote on a show of hands. I declare that the "Noes" have it.

Clause 46.—Licence for ball or dance.

Mr. ELEAZAR: This clause provides that "the Governor-in-Council may in his discretion refund such licence when he is satisfied that the ball or dance has been given, had or held for the exclusive benefit of any purely religious, educational or charitable object." I think it is a little unnecessary to worry the Governor-in-Council with such a matter. In the old days churches and chapels were exempt from taxation as well as entertainments given purely for religious and educational purposes. Last year this provision was imposed and most ministers abandoned appeals to the Governor-in-Council. I ask Your Excellency to give the churches the concession they always enjoyed of giving entertainments for religious or educational purposes.

The ATTORNEY-GENERAL: This provision has been in the Ordinance since 1921. Applications were at first very frequent but on careful enquiry they were reduced in number. The exercise of the power of the Governor-in-Council serves a useful purpose because it is then possible to ascertain whether cases are genuine. But there is one amendment necessary, and that is the substitution of "duty" for "licence."

Mr. ELEAZAR: Speaking from experience among the people, I say that the reason why they ceased to appeal

was in consequence of the trouble it entailed.

Question "That this clause as amended stand part of the Bill" put, and agreed to.

Clause 58.—Storage rent for dangerous goods.

The COLONIAL SECRETARY: The tariff has been slightly increased to meet the cost of operating an electric crane at the Bonded Warehouse.

The Council resumed.

Notice given that at the next meeting of the Council it would be moved that the Bill be read the third time:—
(*Colonial Secretary*).

LEGAL PRACTITIONERS' BILL.

The ATTORNEY-GENERAL: I ask, sir, that the Bill to make provision with respect to the discipline of legal practitioners be deferred.

Agreed to.

The President: There is no more business before the Council this week. We will adjourn until Tuesday next at 11 o'clock.